

Hartford Courant

Don't Let Connecticut's Trash Plants Go Private

April 19, 2006

JONATHAN BILMES

In 1998, the Connecticut General Assembly passed legislation deregulating the electric industry. While the move toward deregulation was motivated by good intentions - creating a more competitive business environment by giving consumers a choice of affordable electricity providers - virtually everyone acknowledges, in Connecticut and many other states, that deregulation is not working.

Electric rates have increased rapidly, and the prospects of continuing power shortages are all too real. As a result, legislators are scrambling to put the genie back into the bottle.

Unfortunately, a similar problem is looming for the state's trash disposal system.

Connecticut has established public policy that the management of solid waste, like the construction and maintenance of highways and the provision of fire and police services, is a fundamental governmental service and responsibility. Combustion of municipal solid waste was favored in order to minimize landfills and to generate needed electricity.

As a result, we have a waste-to-energy system that manages and safely disposes of 90-95 percent of the state's municipal solid waste that is not recycled. Quasi-public organizations like the Bristol Resource Recovery Facility Operating Committee were created in the 1980s to oversee and manage a system that is efficient, environmentally sound - the EPA notes that the nation's waste-to-energy plants produce electricity with less environmental impact than almost any other source - and a model of public-private partnerships.

Of great concern, however, is the fact that the cornerstones of Connecticut's waste-to-energy system - the six regional plants that safely turn more than 5,800 tons of trash each day into 194 megawatts of clean power - could end up without government oversight and subject to unfavorable market conditions. Sounds like electricity

deregulation.

Why? Complex tax laws and other unique circumstances were in play when the waste-to-energy projects were financed. As a result, a number of the state's trash plants operate under long-term contracts that call for the facilities to revert to 100 percent private ownership in the near future.

If nothing is done to prevent waste-to-energy facilities from reverting to total private ownership, within 10 years the waste-to-energy industry is likely to experience the same runaway costs that the state is dealing with now among electricity generators. Unforeseen market forces may adversely impact the profitability of privately owned solid waste management facilities and could cause facilities to close or reduce capacity.

Conversely, without the cost controls established by government operation and control of solid waste management, private market forces could cause dramatic cost increases like those experienced with electricity prices under deregulation. The supply and pricing problems Connecticut is experiencing in the energy field could be repeated in the solid waste industry.

Sound public policy led to Connecticut's commitment to resources recovery in the 1980s. Over the years, our waste-to-energy facilities have effectively and efficiently met an essential and important public health need through the safe handling and disposal of the state's solid waste. They have the potential capacity to handle all of the 400,000 tons of trash currently shipped out of state. Our trash plants produce clean, renewable, local electricity - enough power to save the equivalent of more than 2.6 million barrels of oil annually.

The Connecticut Department of Environmental Protection and other state policy-makers should do everything possible to ensure the continuation of a technology and system that has served Connecticut well for more than 20 years.

Let's not repeat the mistakes we have made in deregulating the electric industry. Our waste-to-energy system "ain't broke." The status quo works and needs to be preserved.

Jonathan Bilmes is the executive director of the Bristol Resources Recovery Facility Operating Committee.